

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

HANGZHOU CHIC INTELLIGENT
TECHNOLOGY CO.; and UNICORN
GLOBAL, INC.,

Plaintiffs,

v.

THE PARTNERSHIPS AND
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE "A",

Defendants.

No. 20 C 4806

Judge Thomas M. Durkin

ORDER

Third-party respondent Yanjin-US has filed a motion, R. 535, to vacate the preliminary injunction order of October 13, 2021, R. 456. The Court entered that order after directing Plaintiffs to re-file a motion for a preliminary injunction to provide Defendants an opportunity to oppose the motion and raise any objections they failed to raise when the motion was initially filed. *See* R. 359; R. 385. After the Court granted the renewed motion, Plaintiffs' counsel submitted a proposed order to the Court by email, *see* R. 536-1, which the Court then entered.

The proposed order contained a chart of "seller aliases" that Plaintiffs allege Defendants use to sell the allegedly infringing products. The Court believed that this list corresponded to the "Store and Website" list that was included as a supporting exhibit with Plaintiffs' motion papers. *See* R. 383 at 2-3 (¶ 5). That list attached website screen shots showing the allegedly infringing products being sold on the

websites or electronic storefronts in question, thus providing a sufficient factual basis to freeze funds associated with those websites and electronic storefronts. *See id.* But review shows that Yanjin-US was included in the chart in the proposed order even though it was *not* mentioned in the motion papers. Thus, Yanjin-US should not have been referenced in the preliminary injunction order entered on October 13, 2021, R. 456.

Yanjin-US retained counsel who contacted Plaintiffs' counsel in February 2022 with the intention to settle the dispute. *See R. 536-5* at 2. Plaintiffs' counsel requested additional information to facilitate settlement. *See id.* at 3. The exchange of information revealed that Yanjin-US never sold any of the allegedly infringing products and should not have been included in the preliminary injunction order. Plaintiffs' counsel ultimately contacted Amazon's counsel by email on April 4, 2022 and stated, "It is our position that [Yanjin-US] should not have its assets restrained." R. 536-3 at 2. Yanjin-US's counsel also sought a release from Plaintiffs. However, in an email dated April 25, 2022, Plaintiffs' counsel wrote the following to Yanjin-US's counsel:

Our client has declined to move forward with a release for your client. At this time, our client has asserted no claims against your identified client, we never requested that your client's assets be restrained, and we have advised Amazon that we believe the preliminary injunction does not call for such a restraint. Therefore, at this point, our client does not see the purpose in pursuing a release and we do not see what role remains for our client. We recommend reaching out directly to Amazon or Amazon's counsel at [Davis Wright Tremaine] for redress.

R. 536-4 at 4.

Yanjin-US filed this motion on May 16, 2022. The Court ordered Plaintiffs to respond by June 1, 2022, but in the meantime, Plaintiffs' counsel filed a motion to withdraw, and the Court stayed all deadlines while that issue was addressed. On June 15, 2022, the Court granted Plaintiffs' counsel's motion to withdraw. Plaintiffs have retained new counsel. But resolution of this motion should not wait.

The emails in the record show that Plaintiffs' inclusion of Yanjin-US in the October 2021 preliminary injunction proposed order was an error. Whether this was intentional or not, Yanjin-US has presumably been damaged by the injunction and the freezing of its assets. And the emails show that Yanjin-US has expended resources attempting to correct Plaintiffs' error and have the injunction lifted.

Therefore, Yanjin's motion [535] is granted to the extent that the preliminary injunction entered against it on October 13, 2022, R. 456, is dissolved. Further, the Court orders a response from Plaintiffs by July 14, 2022 as to whether Yanjin-US should be awarded damages and attorney's fees. Yanjin-US may file a reply by July 28, 2022.

ENTERED:



Honorable Thomas M. Durkin
United States District Judge

Dated: June 16, 2022